



THE CITY OF SAN DIEGO

DATE: July 21, 2008

TO: Honorable Members of the Audit Committee

FROM: Eduardo Luna, City Auditor

SUBJECT: **Additional Auditing Services – Macias Consulting Group**

Due to recent allegations pertaining to various compensation practices and administrative expense transactions at Southeastern Economic Development Corporation, the Mayor has requested that we expand the scope of the original performance audit of the organization. We are procuring additional consulting services with Macias Consulting Group via a sole source procurement. The Office of the City Auditor will remain the point of contact for this audit. It is Macias Consulting's plan to include any findings and recommendations from this additional scope in the report that will be presented to the Audit Committee in September 2008.

cc: Honorable Mayor Jerry Sanders
Honorable City Councilmembers
Jay M. Goldstone, Chief Operating Officer
Michael Aguirre, City Attorney
Andrea Tevlin, Independent Budget Analyst
Stan Keller, SEC Consultant